GOVERNMENT OF INDIA
STEEL
LOK SABHA

UNSTARRED QUESTION NO:2519
ANSWERED ON:31.07.2002
PRICES OF STEEL PRODUCTS
AJAY CHAKRABORTY

Will the Minister of STEEL be pleased to state:

(a) whether it is a fact the Indian Steel industry has raised the prices of their products four times, since April this year;

(b) if so, the details of the raised prices of various types of steel raised since April by various steel companies and how does it compare with the variation in the international steel prices;

(c) whether this upward revision has helped to improve the financial position of Indian Steel Companies and their production; and

(d) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF STEEL (SHRI BRAJA KISHORE TRIPATHY)

(a)&(b): During April-July, 2002 there has been upward revision of rate of rebate adjustment as well as of base price. The available details for major producers are as below:

Steel Authority of India Ltd, (SAIL)

Flat Products: For H.R. Coils, the upward revision of rebate adjustment was effected in the months of April, May and June.The extent of rise varied from Rs. 900/- to Rs. 1300/- per metric tonne. In July the base price was increased by Rs. 1600/- per metric tonne.

Non-Flat Product:The price of wire rods was raised twice during the period April-July, 2002. The price of high carbon wire rods was revised upwards by Rs. 750/- per metric tonne while for Mild Steel Quality the increment was by Rs. 1100/- per metric tonne.

Rashtriya Ispat Nigam Ltd (RINL)

RINL`s product mix comes under long products. The average price increase in Saleable Mild Steel `Long products` effected during April to July, 2002 in Domestic Market was as follows:

(Rs. per metric tonne)

Month	Average price increase
March,02 to April, 02	315
April, 02 to May, 02	172
May, 02 to June, 02	147
June, 02 to July, 02	157

Tata Iron and Steel Company Ltd; (TISCO)

The increase in prices effected from April, 2002 were restricted to the commercial grades, which are sold mainly on spot basis. There was no significant increase since April, 2002 in respect of Products sold under long term contract.

Increase in the domestic prices was generally lower than the increase in international prices for various steel products during the period March to July, 2002.

(c)&(d): Yes, Sir. The improved sales realization coupled with rise in demand is expected to raise the current levels of production and improve financial position of most of the major steel producers in the country.